



Management Discussion and Analysis For the Years Ended June 30, 2023 and 2022

This management's discussion and analysis ("MD&A") is provided to enable the reader to assess material changes in financial condition and results of operations of District Metals Corp. (the "Company" or "District Metals") for the fiscal year ended June 30, 2023 and 2022. This MD&A should be read in conjunction with the audited consolidated financial statements of the Company for the fiscal years ended June 30, 2023 and 2022, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements but does not form part of the Company's consolidated financial statements.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the Company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language on page 11. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of October 25, 2023.

BUSINESS OVERVIEW

The Company was incorporated under the *Business Corporations Act* (Alberta) on July 24, 1989 and continued into the Province of British Columbia on March 31, 2006. On July 17, 2019, the Company changed its name to District Metals Corp. The Company is listed on the TSX Venture Exchange (the "Exchange") under the trading symbol "DMX", the Frankfurt Stock Exchange under the symbol "DFPP" and the United States OTCQB under the symbol "DMXCF".

The Company is a junior mineral exploration stage company in the business of acquiring, exploring, and evaluating natural resource properties, and either developing these properties further or disposing of them when the evaluation is complete. As at the date of this MD&A, the Company holds a 100% interest in the Tomtebo, Svärdsjö and Gruvberget properties, located in the Bergslagen Mining District of south-central Sweden, and an approximate 20% interest in the Bakar Property located on North Vancouver Island in British Columbia, Canada.

On April 12, 2023, the Company received the approval for a 2,302 hectare mineral license to explore for vanadium, nickel, molybdenum, zinc, and other elements, covering approximately 68% of the polymetallic Viken deposit located in Jämtland County, central Sweden. On May 3, 2023, the Company's application to increase the area of the Viken Property from 2,302 hectares to 9,367 hectares was approved.

In May 2023, the Company was granted the Täsjö nr 101 to 105 mineral license to explore for vanadium, nickel, molybdenum, zinc, and rare earth elements in the Jämtland and Västerbottens Counties, north-central Sweden.

In May 2023, the Company was granted the Sägtjärn nr 101 and 102 mineral licenses to explore for copper, zinc, lead silver, gold, molybdenum and cobalt in the Jämtland and Västernorrland Counties in central Sweden.

In June 2023, the Company was granted the Ardnasvarre nr 1 mineral license to explore for copper, molybdenum, zirconium, and rare earth elements (REE), which covers over a 9,708 hectare (ha) area located in Norrbottens County, northern Sweden.

In September 2023, the Company was granted the Nianfors nr 1 and 2 mineral license applications to explore for copper, zinc, molybdenum, yttrium and other rare earth elements located in the Gävleborgs County in central Sweden.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the future. The Company's ability to raise additional funds is affected by numerous factors outside the Company's control including in particular, the global economy and the status of the moratorium on uranium mining in Sweden. The global economy is currently characterized by increased volatility arising in part from inflationary pressure and geo-political risk in Europe and the Middle East.

Conversely, the Company's funding requirements may vary from those planned due to a number of factors, including the acquisition of new projects and increased costs. There is no guarantee that the Company will be able to secure additional financings in the future at terms that are favourable, or at all.

	Tomtebo Property	Svärdsjö Property	Gruvberget Property	Bakar Property	Other Properties	Total
Acquisition Costs						
Balance, June 30, 2021	\$ 1,620,706	\$ -	\$ -	\$ 32,051	\$ -	\$ 1,652,757
Additions	-	402,500	260,000	-	-	662,500
Balance, June 30, 2022	\$ 1,620,706	\$ 402,500	\$ 260,000	\$ 32,051	\$ -	\$ 2,315,257
Additions	95,151	-	-	-	-	95,151
Balance, June 30, 2023	\$ 1,715,857	\$ 402,500	\$ 260,000	\$ 32,051	\$ -	\$ 2,410,408
Deferred Exploration Costs						
Balance, June 30, 2021	\$ 1,957,619	\$ -	\$ -	\$ -	\$ -	\$ 1,957,619
Consulting	361,097	2,814	62,240	4,326	-	430,477
Drilling	1,570,478	-	209,748	-	-	1,780,226
Geochemistry	90,444	687	2,050	-	-	93,181
Geophysics	-	36,136	155,259	-	-	191,395
Other costs	122,456	394	25,079	-	-	147,929
Balance, June 30, 2022	\$ 4,102,094	\$ 40,031	\$ 454,376	\$ 4,326	\$ -	\$ 4,600,827
Consulting	54,762	2,413	65,435	90,821	5,055	218,486
Geochemistry	9,623	-	39,642	-	-	49,265
Geophysics	-	8,400	19,600	-	-	28,000
Other costs	34,409	-	18,484	-	538	53,431
Balance, June 30, 2023	\$ 4,200,888	\$ 50,844	\$ 597,537	\$ 95,147	\$ 5,593	\$ 4,950,009
Balance, June 30, 2022	\$ 5,722,800	\$ 442,531	\$ 714,376	\$ 36,377	\$ -	\$ 6,916,084
Balance, June 30, 2023	\$ 5,916,745	\$ 453,344	\$ 857,537	\$ 127,198	\$ 5,593	\$ 7,360,417

Tomtebo Property, Sweden

The Tomtebo Property is located in the Bergslagen Mining District of South Central Sweden. It comprises 5,144 ha.

On June 30, 2020, the Company completed its acquisition of 100% ownership of the Tomtebo (the "Tomtebo Property") from Viad Royalties AB, a wholly owned subsidiary of EMX Royalty Corp. ("EMX"). The consideration included a 2.5% net smelter royalty ("NSR") granted to EMX on the Tomtebo Property. All requirements to retain the Tomtebo Property were completed in fiscal 2021, except for certain payments due upon a mineral resource estimate and/or preliminary economic assessment.

In August 2022, the Company reported assay results for the two drill holes from its spring 2022 drill program. A total of 750 m in two drill holes was completed during this drill program that was carried out from mid-April to mid-May 2022, before moving the rig to the Gruvberget Property.

Svärdsjö Property, Sweden

The Svärdsjö Property is located approximately 200km northwest of Stockholm in Sweden and 25km north of the Tomtebo Property. It comprises 1,037 ha.

On October 6, 2021, the Company completed the acquisition of the Svärdsjö Property located in Sweden from a wholly owned subsidiary of EMX. As consideration for the acquisition of the Svärdsjö Property, the Company:

- Issued 1,659,084 common shares to EMX, having a fair value of \$365,000;
- Paid \$35,000 cash consideration to EMX;
- Granted EMX a 2.5% NSR on the Svärdsjö Property;
- Agreed to incur \$1,000,000 of eligible work expenditures on the Svärdsjö Property within five years from closing;
- Agreed to make certain milestone payments upon a mineral resource estimate and/or preliminary economic assessment; and
- Reimbursed EMX for mineral license fees previously incurred in the amount of \$2,500.

In December 2022 the Company reported on compilation work at the Svärdsjö Property including a review of historical exploration data and SkyTEM surveys had revealed several high priority target areas for follow up work and drilling.

The Company has completed all requirements to retain the Svärdsjö Property except (i) it must incur approximately an additional \$950,000 in exploration expenditures; and (ii) make certain milestone payments upon a mineral resource estimate and/or preliminary economic assessment.

Gruvberget Property, Sweden

The Gruvberget Property is located approximately 230km northwest of Stockholm in Sweden and 35km northwest of the Tomtebo Property. It comprises 5,286 ha.

On October 12, 2021, the Company completed the acquisition of the Gruvberget Property located in Sweden from Explora Mineral AB (“Explora”). As consideration for the acquisition of the Gruvberget Property, the Company:

- Issued 1,000,000 common shares to Explora, having a fair value of \$240,000;
- Paid \$20,000 cash consideration to Explora;
- Granted Explora a 2.5% NSR royalty on the Gruvberget Property subject to an option to repurchase the entire 2.5% NSR royalty for \$8,000,000 at any time; and
- Agreed to incur \$500,000 of eligible work expenditures on the Gruvberget Property within two years from closing.

As at June 30, 2023, the Company had completed all requirements to retain the Gruvberget Property.

In November 2022, the Company reported the results of a detailed soil sampling program at the Gruvberget Property.

Bakar Property, British Columbia

The Bakar Property is located on the northwest of Vancouver Island, British Columbia approximately 40km west of Port Hardy. It comprises 15,687 ha.

During the year ended June 30, 2020, the Company acquired a 100% interest in the Bakar property by paying a cash purchase price of \$50,000 and issuing 1,250,000 common shares with a fair value of \$200,000.

On December 18, 2020, the Company sold an 80% interest in the Bakar Property to Sherpa II Holdings Corp. (“Sherpa II”) pursuant to a sale agreement (the “Bakar Sale Agreement”) and joint venture agreement (the “Joint Venture Agreement”). Sherpa II is an arms-length third party to District metals. Pursuant to the Bakar Sale Agreement, Sherpa II acquired an 80% interest in the Bakar Property for the following consideration:

- \$50,000 cash payment (received);
- 1,000,000 common shares of Sherpa II (received);
- \$200,000 in work expenditures within nine months of closing (completed during the year ended June 30, 2022); and
- Carry over of the 2.0% NSR from the royalty agreement dated July 12, 2019 between the Company and Longford Capital Corp. on one of the eight mineral claims that comprises Bakar, which covers 1,352 hectares (ha) out of the 15,687 ha Property. The 2.0% NSR may be repurchased entirely for \$6,500,000 cash.

In November 2022, the Company entered into Exploration Management Agreement (the “Agreement”) with Sherpa II effective August 31, 2021, pursuant to which the Company will conduct the exploration at the Bakar Property and will be paid an exploration management fee of 10% of exploration expenditures incurred at the Bakar property. During the year ended June 30, 2023, the Company earned management fee income of \$45,721 from the Agreement, recorded in other income.

Effective January 1, 2023, pursuant to an amendment to the Joint Venture Agreement District Metals agreed to fund 100% of the next phase of expenditures to a maximum of \$330,000 and contribute its related exploration management fee of \$33,000 to earn back a pro-rata ownership in the property. of up to 54% (the “Amended Agreement”). From the date of the Amended Agreement, District Metals has funded exploration expenditures of \$7,370 and earned management fee income of \$737.

During the year ended June 30, 2023, the Company recorded an unrealized loss of \$80,000 (2022 – unrealized loss of \$5,000) on its investment in Sherpa II.

Other Properties

During the year ended June 30, 2023, Bergslagen Metals AB received approval on certain mineral licenses from the Bergsstaten (Mining Inspectorate) (collectively, the "Additional Properties"), including:

- Viken nr 101, 2 and 3, located in Jämtland County, central Sweden and comprises 9,367 ha;
- Tåsjö nr 101 to 105, located in the Jämtland and Västerbottens Counties, north-central Sweden covering an area of 15,625 hectares (ha);
- Sågtjärn nr 101 and 102, covering 4,068 ha in Jämtland and Västernorrland Counties in central Sweden; and
- Ardnasvarre nr 1 over a 9,708 hectare (ha) area located in Norrbottens County, northern Sweden.

Subsequent to June 30, 2023, Bergslagen Metals AB received approval from the Bergsstaten for the Nianfors nr 1 and 2 mineral licenses, covering 1,604 ha located in the Gävleborgs County in central Sweden.

The Company believes that all of these new properties are prospective for uranium. There is currently a moratorium on uranium mining and exploration in Sweden that was imposed in 2018, which is being revisited by the Swedish authorities. The Company's activities on these properties has been deferred pending developments in Sweden with respect to the moratorium.

ANNUAL FINANCIAL INFORMATION

The selected financial information below are derived from the Company's audited consolidated financial statements, prepared in accordance with IFRS.

	Year ended		
	June 30, 2023	June 30, 2022	June 30, 2021
Total revenue	\$ -	\$ -	\$ -
Operating expenses	1,300,696	1,753,624	2,402,704
Other expenses (income)	16,094	(27,435)	327,176
Net loss	1,316,790	1,726,189	2,729,880
Total comprehensive loss	1,316,790	1,726,189	2,729,880
Basic and diluted loss per common share	0.02	0.02	0.04

	As at		
	June 30, 2023	June 30, 2022	June 30, 2021
Cash and cash equivalents	\$ 2,525,835	\$ 1,508,278	\$ 3,643,704
Exploration and evaluation assets	7,360,417	6,916,084	3,610,376
Total assets	10,120,963	8,671,995	7,863,950
Current financial liabilities	119,242	294,198	592,600
Shareholders' equity	10,001,721	8,377,797	7,271,350

FINANCIAL REVIEW

For a discussion of the factors affecting the Company's losses see "Summary of quarterly results" and "Results of operations" below.

Results of operations

The Company incurred a net loss and total comprehensive loss of \$1,316,790 during the fiscal year ended June 30, 2023, a decrease in loss of \$409,399, as compared to \$1,726,189 for the year ended June 30, 2022. The decrease in net loss and total comprehensive loss was driven by:

- A decrease in professional fees of \$200,648, marketing and investor relations costs of \$179,244, general and administrative costs of \$21,428, due to cash conservation effort;
- A decrease in stock-based compensation expense of \$149,767 as the options vesting in the current period had a lower fair value per share than those issued in the prior year.

These decreases were partially offset by an increase of \$80,000 in unrealized loss on marketable securities related to the change in fair value of the common shares held of Sherpa II and due diligence costs of \$45,781 in respect of the Additional Properties in Sweden.

Summary of quarterly results

The following table provides a summary of financial data for the Company's most recent eight quarters derived from the Company's unaudited condensed interim financial statements:

	Quarter ended	Revenue	Loss before other income and expenses	Total comprehensive loss	Basic and diluted income (loss) per common share
Q4/23	June 30, 2023	\$ -	\$ (250,502)	\$ (199,836)	\$ (0.00)
Q3/23	March 31, 2023	\$ -	\$ (665,933)	\$ (665,545)	\$ (0.01)
Q2/23	December 31, 2022	\$ -	\$ (201,803)	\$ (243,385)	\$ (0.00)
Q1/23	September 30, 2022	\$ -	\$ (182,458)	\$ (208,024)	\$ (0.00)
Q4/22	June 30, 2022	\$ -	\$ (247,490)	\$ (285,244)	\$ (0.00)
Q3/22	March 31, 2022	\$ -	\$ (229,322)	\$ (232,211)	\$ (0.00)
Q2/22	December 31, 2021	\$ -	\$ (944,130)	\$ (878,103)	\$ (0.01)
Q1/22	September 30, 2021	\$ -	\$ (332,682)	\$ (330,631)	\$ (0.00)

The primary factors affecting the magnitude and variations of the Company's losses are as follows:

- During the year ending June 30, 2023, the Company's third quarter loss was influenced by stock-based compensation expense of \$389,481. When normalized for this amount, the loss was \$276,064.
- During the year ending June 30, 2022, the Company's second quarter loss was influenced by stock-based compensation expense of \$539,248. When normalized for this amount, the loss was \$338,855.

LIQUIDITY AND CAPITAL RESOURCES

The Company's consolidated financial statements for the fiscal year ended June 30, 2023 have been prepared on a going concern basis, which assumes that the Company will continue in operation in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business.

At June 30, 2023, the Company had cash of \$2,525,835 (2022 - \$1,508,278) and its current assets exceeded its current liabilities by \$2,519,080 (2022 - \$1,402,862). The Company currently does not generate revenue. It has incurred losses and negative cash flows from operations since inception and had an accumulated deficit of \$61,203,762 as at June 30, 2023 (2022 - \$60,288,860). The Company is conserving cash pending visibility on the status of lifting the uranium mining and exploration moratorium in Sweden and, accordingly management believes that the Company's cash balances are sufficient to fund its administrative expenses and complete its planned exploration activities for the ensuing 12-month period.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future. If the Company is unable to obtain the requisite amount of financing it will be required to continue to defer planned exploration activities and/or reduce corporate capacity and/or sell assets each of which would have a material adverse effect on its business and ability to continue as a going concern. These consolidated financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern.

Cash flows

Cash used in operating activities for the year ended June 30, 2023, was \$848,435 compared to \$1,098,189 for the year ended June 30, 2022.

During the year ended June 30, 2023, the Company invested cash of \$685,241 in exploration and evaluation assets and advances and deposits for exploration, compared to \$2,725,625 spent on exploration and evaluation assets during the year ended June 30, 2022. The decreased spending in the current period is due to cash conservation efforts resulting in reduced exploration expenditures in the current period.

During the year ended June 30, 2023, the Company raised an aggregate of \$2,551,233 (2022 - \$1,688,388) from the issuance of units (2022 – issuance of units and the exercise of stock options). On March 2, 2023, the Company issued 20,000,000 common shares for gross proceeds of \$3,000,000 pursuant to the closing of a brokered private placement of units (the "March 2023 Financing"). Each unit is comprised of one common share ("Common Share") in the capital of the Company and one-half of one Common Share purchase warrant (each whole such warrant, a "Warrant") of the Company. Each Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.20 for a period of three (3) years. The fair value of the Warrants was determined to be \$Nil using the residual value method. The Company incurred cash share issuance costs of \$448,767 and issued 1,200,000 compensation options with a fair value of \$178,765, which were valued using the Black-Scholes Option Pricing Model with the following assumptions: average risk-free interest rate of 3.53%; expected life of 3 years; expected volatility of 104% and dividend yield of \$Nil. The net proceeds from the March 2023 Financing were \$2,551,233.

The table below summarizes the expected proceeds and the actual proceeds in the March 2023 Financing:

	Expected Proceeds	Actual Proceeds	Variance
Amount raised in the offering	\$3,000,000	\$3,000,000	\$Nil
Selling commissions and fees	(\$180,000)	(\$180,000)	\$Nil
Offering costs ⁽¹⁾	(\$100,000)	(\$268,767)	(\$168,767)
Net Proceeds	\$2,720,000	\$2,551,233	(\$168,767)

Notes:

- 1) Consists of legal costs, consulting fees, transfer agent fees and Exchange fees.

The table below summarizes the expected use of proceeds and the actual use of proceeds in the March 2023 Financing:

	Expected Use of Proceeds	Actual Use of Proceeds to Date	Variance ⁽¹⁾
Complete ongoing drilling program at the Tomtebo Property	\$600,000	\$Nil	\$600,000
Commence and complete an exploration drill program at the Gruberget Property	\$600,000	\$Nil	\$600,000
Complete exploration and development activities at the Viken Property	\$800,000	\$Nil	\$800,000
General and administrative expenses	\$480,000	\$25,398	\$454,602
Unallocated working capital ⁽²⁾	\$71,233	\$Nil	\$71,233
Use of Proceeds	\$2,551,233	\$25,398	\$2,525,835

Notes:

- 1) The financing closed in early March 2023, and as such, the Company completed these activities during the year ended June 30, 2023.
2) Unallocated working capital was reduced by the difference between the expected proceeds and the actual proceeds of \$168,767.

The Company is conserving cash pending visibility on the status of lifting the uranium mining and exploration moratorium in Sweden, which may result in a re-allocation of planned expenditures among its properties.

TRANSACTIONS WITH RELATED PARTIES

The Company's related parties consist of its key management personnel, including its directors and officers. During the normal course of business, the Company enters into transactions with its related parties that are considered to be arm's length transactions and made at normal market prices and on normal commercial terms.

- (a) Key management compensation for the year ended June 30, 2023 and 2022 were as follows:

	For the Year Ended	
	June 30, 2023	June 30, 2022
Salary	\$ 255,000	\$ 255,000
Consulting	\$ 231,900	\$ 186,498

- (b) On June 1, 2020, the Company entered into an employment agreement with the Company's Chief Executive Officer ("CEO") effective June 1, 2020, pursuant to which, if the Company experiences a change of control the CEO is entitled to 24 months of salary. Pursuant to the employment agreement, the Company incurred a salary of \$255,000 to the CEO during the year ended June 30, 2023, recorded in consulting fees (2022 - \$255,000). The Company had \$Nil due to the CEO at June 30, 2023 (2022 - \$13,679).
- (c) During the years ended June 30, 2023 and 2022, the Company paid consulting fees of \$60,000 and \$60,000, respectively, for services provided by the CFO.
- (d) During the years ended June 30, 2023 and 2022, the Company incurred stock-based compensation expense of \$292,111 and \$338,299, respectively, related to stock options granted to officers and directors of the Company.

- (e) During the years ended June 30, 2023 and 2022, the Company incurred director's fees of \$36,000 and \$36,000, respectively, recorded in consulting fees, to directors of the Company.
- (f) During the years ended June 30, 2023 and 2022, the Company incurred consulting fees of \$108,400 and \$96,000 paid to a company controlled by a close family member of the CFO.
- (g) During the year ended June 30, 2023, the Company paid \$27,500 to Doug Ramshaw, a director of the Company, for consulting services (2022 - \$25,000). At June 30, 2023 \$Nil was recorded in prepaid expenses (2022 - \$12,500).

FOURTH QUARTER

	June 30, 2023	June 30, 2022	June 30, 2021
EXPENSES			
General and administrative costs	\$ 15,582	\$ 7,284	\$ 34,321
Marketing and investor relations	22,675	47,377	67,721
Consulting fees	129,191	120,494	211,533
Professional fees	45,269	64,553	96,300
Property investigation costs	29,417	-	-
Stock-based compensation expense	-	-	66,777
Transfer agent, regulatory and listing fees	8,368	7,782	1,355
Foreign exchange (gain)/ loss	14,643	(2,246)	(24,066)
Unrealized loss/(gain) on investments	10,000	40,000	(15,000)
Interest and dividend income	(28,745)	-	-
Other income	(46,564)	-	-
Net loss and comprehensive loss	\$ 199,836	\$ 285,244	\$ 438,941

The Company incurred a net loss and total comprehensive loss of \$199,836 during the three months ended June 30, 2023 compared \$285,244 for the same period of 2022, a decrease in loss of \$85,408.

The decrease in loss was primarily the result of;

- Lower professional fees of \$19,284;
- Decrease in marketing and investor relations expense of \$24,702;
- Unrealized loss on investments of \$30,000;
- Interest and dividend income of \$28,745 as a result of its investment in guaranteed investment certificates; and
- Other income of \$46,564 relating to the management fee charged to Sherpa II for the Bakar Property.

CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgements and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the audited consolidated financial statements for the year ended June 30, 2023 are consistent with those applied in the preparation of the Company's audited consolidated financial statements for the year ended June 30, 2022 and include the following:

Critical judgments

The critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Determination of functional currency

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which the respective entity operates; the functional currency of District Metals Corp., District Metals AB and Bergslagen Metals AB is determined to be the Canadian dollar. Such determination involves certain judgments to identify the primary economic

environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.

Impairment of long-lived assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit ("CGU"), or group of CGUs, level in the year the new information becomes available. If indicators of impairment exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment.

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Valuation of stock-based compensation

The Company uses the Black-Scholes option pricing model for valuation of stock-based compensation and either the Black-Scholes option pricing model or the Geske compound option pricing model for valuation of the Compensation Options depending on the terms of the equity compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, expected life and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

NEW ACCOUNTING STANDARDS AND ACCOUNTING STANDARDS NOT YET EFFECTIVE

The Company did not adopt any new accounting standards or interpretations during the years ended June 30, 2023 and 2022. The following amendments will be applied effective July 1, 2023 and are not expected to have a material impact on the Company's consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments – Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the year ended June 30, 2023.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Classifications

The Company's financial assets and liabilities are classified as follows:

	June 30, 2023	June 30, 2022
Financial assets:		
<i>Fair value through profit and loss</i>		
Cash and cash equivalents	\$ 2,525,835	\$ 1,508,278
Investment	40,000	120,000
Financial liabilities:		
<i>Other financial liabilities</i>		
Accounts payable and accrued liabilities	\$ 119,242	\$ 294,198

The amount of accounts payable and accrued liabilities includes amounts due to related parties.

Fair value information

The fair values of the Company's cash and cash equivalents, due from related parties and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments.

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that reflects the significance of inputs used in measuring fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Investment in marketable securities are measured at fair value using level 1 inputs. At June 30, 2023 and 2022, the Company had no financial assets measured and recognized on the statement of financial position at fair value belonging in Level 2 or Level 3 of the fair value hierarchy.

Financial instrument risk exposure

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At June 30, 2023 and 2022, the Company was exposed to credit risk on its cash and cash equivalents.

The Company's cash and cash equivalents is held with a high credit quality financial institutions in Canada and Sweden and as at June 30, 2023 and 2022, management considers its exposure to credit risk to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At June 30, 2023, the Company had cash and cash equivalents of \$2,525,835 (2022 - \$1,508,278) and accounts payable and accrued liabilities of \$119,242 (2022 - \$294,198) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at June 30, 2023 and 2022. The Company assessed its liquidity risk as low as at June 30, 2023 and 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk as at June 30, 2023 and 2022.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies.

As at June 30, 2023 and 2022, the Company had exposure to foreign currency risk through the following assets and liabilities denominated in Euros, and SEK.

June 30, 2023		
	Euros	SEK
Cash and cash equivalents	1,468	417,973
GST and VAT receivable		200,362
Prepaid expenses		223,144
Accounts payable and accrued liabilities	-	(392,012)
Net	1,468	449,467
Canadian dollar equivalent	\$ 2,123	\$ 55,150

June 30, 2022		
	Euros	SEK
Cash and cash equivalents	1,466	2,185,665
Accounts payable and accrued liabilities	-	(360,970)
Net	1,466	1,824,695
Canadian dollar equivalent	\$ 1,970	\$ 229,364

Based on the above net exposures, a 10% change in the Canadian dollar/Euro and Canadian dollar/SEK exchange rate would impact the Company's net loss by approximately \$200 and \$6,000 (2022 - \$Nil and \$22,000), respectively. As at June 30, 2023 and 2022, the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as moderate as at June 30, 2023 and 2022.

OUTSTANDING SHARE CAPITAL DATA

At the date of this MD&A, the Company had 106,980,707 common shares issued and outstanding (June 30, 2022 – 86,980,707). The Company has authorized an unlimited number of common shares without par value.

At the date of this MD&A, the Company has the following stock options outstanding:

Expiry date	Options outstanding and exercisable	Exercise price	Weighted average remaining contractual life (in years)
August 12, 2024	855,000	\$ 0.20	0.07
June 2, 2025	1,855,000	\$ 0.21	0.32
October 7, 2025	300,000	\$ 0.33	0.06
December 30, 2025	1,400,000	\$ 0.46	0.33
January 18, 2026	50,000	\$ 0.45	0.01
April 13, 2026	200,000	\$ 0.40	0.05
October 7, 2026	2,180,000	\$ 0.25	0.70
March 6, 2028	2,400,000	\$ 0.20	1.15
	9,240,000	\$ 0.26	2.69

At the date of this MD&A, the Company has the following compensation options outstanding:

Expiry date	Options outstanding and exercisable	Exercise price	Weighted average remaining contractual life (in years)
December 14, 2023	358,320	\$ 0.25	0.03
March 2, 2026	1,200,000	\$ 0.15	1.81
	1,558,320	\$ 0.17	1.84

At the date of this MD&A, the Company has the following warrants outstanding:

Expiry date	Warrants outstanding and exercisable	Exercise price	Weighted average remaining contractual life (in years)
December 14, 2023	3,600,000	\$ 0.35	0.04
March 2, 2026	10,000,000	\$ 0.20	1.73
	13,600,000	\$ 0.24	1.77

RISKS AND UNCERTAINTIES

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company and uncertainties not discussed to date or not known to management could have material and adverse effects on the valuation of our securities, existing business activities, financial condition, results of operations, plans and prospects. could cause the Company's operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with the Company's business and its involvement in the mineral exploration and development industry, including the future of the uranium moratorium in Sweden. Refer to the Company's Annual Information Form dated June 22, 2022 for a list of risk factors impacting the Company.

Conflicts of Interest

Members of the Board may become directors of other reporting companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the Board may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Company and its Board will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the Business Corporations Act (British Columbia) (the "BCBCA"). The provisions of the BCBCA require a director or officer of a corporation who has a material interest in a contract or transaction of the corporation, or a director or officer of a corporation who is a director or officer of or has a material interest in a person who has a material interest in a contract or transaction with the corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the BCBCA, as the case may be. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" or variations of such words and phrases or the negative connotation thereof, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding exploration results and budgets, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Important factors that could cause actual results to differ materially from the Company's expectations include adverse developments affecting the lifting the moratorium on uranium mining in Sweden, uncertainties relating to disputes; fluctuations in commodity prices particularly uranium, and foreign currency exchange rates; uncertainties relating to interpretation of drill results and the geology; the need to obtain additional financing to develop properties and uncertainties as to the availability and terms of future financing; uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies and other factors such as those described above and discussed under "Risks and Uncertainties".

For the reasons set forth above, investors should not place undue reliance on forward-looking statements. It is the Company's policy that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are based on information available as at the date thereof and are subject to change after this date. The Company assumes no obligation and has no policy for updating or revising forward-looking information or statements to reflect new events or circumstances, except as may be required under applicable securities laws.